



**ASSOCIATION of
GOVERNMENTS**

Main Office

818 West Seventh Street
12th Floor
Los Angeles, California
90017-3435

t (213) 236-1800

f (213) 236-1825

www.scag.ca.gov

Officers

President
Jon Edney, El Centro

First Vice President
Larry McCallon, Highland

Second Vice President
Pam O'Connor, Santa Monica

Immediate Past President
Richard Dixon, Lake Forest

**Executive/Administration
Committee Chair**

Jon Edney, El Centro

Policy Committee Chairs

Community, Economic and
Human Development
Carl Morehouse, Ventura

Energy & Environment
Keith Hanks, Azusa

Transportation
Mike Ten, South Pasadena

December 17, 2009

Economic and Allocation Advisory Committee
California Environmental Protection Agency
1001 I Street
Sacramento, California 95812

RE: Comments on "Allocating Emissions Allowances Under California's Cap-
and-Trade Program" Draft Report, December 14, 2009

Dear Chairman Goulder and EAAC Members:

The Southern California Association of Governments (SCAG) appreciates the opportunity to comment on the above referenced report. We commend the work of the Economic and Allocation Advisory Committee (EAAC) on this complicated subject, and appreciate the acumen of the Air Resources Board and California Environmental Protection Agency for establishing the Committee.

SCAG is the nation's largest metropolitan planning organization, representing six counties, 189 cities and more than 19 million residents in an area of more than 38,000 square miles. As the MPO for the Region, SCAG is responsible for long-range transportation planning (including transportation conformity under the federal Clean Air Act), and is also responsible under State law (SB 375) for developing a Sustainable Communities Strategy (SCS) to reduce greenhouse gas (GHG) emissions.

In considering the comprehensive and effective use of allocation value, the EAAC appropriately included Recommendation #11 "*. . . that ARB devote a significant share of allowance value toward financing of public and private investment oriented toward achieving low-cost emissions reductions, adaptation, and environmental remediation.*"

SCAG strongly supports Recommendation # 11 as a high priority. SCAG also encourages adding language to specifically identify the use of the allowance revenue to support transit and non-motorized investment and SB 375 planning and implementation at the regional and local level.

Specifically, adequate funding for transit improvements is essential to achieve the goals of AB 32 and SB 375 for existing urban and otherwise compact land use areas, while investment in non-motorized and other localized strategies is necessary in less dense suburban and rural communities where transit oriented development is more challenging. Further, developing an SCS pursuant to SB 375 has added numerous unfunded costs to transportation and land use planning (including significant costs for updating local land use data and for modeling and other analytical tools), and will require funding for regional agencies and local jurisdictions to implement.

While jurisdictions within the SCAG region are pursuing innovative strategies and policies with the goal of improving transportation systems and development patterns, and thereby achieving congestion relief and GHG reductions, the success of SB 375 is predicated on the ability of MPOs and local jurisdictions to implement even greater transformation to land use and transportation policies and investments as envisioned by AB 32 and SB 375.

Thus, EAAC Recommendation # 11 should be given high priority and enhanced to cover the specific funding needs identified above and discussed in the "Public Transit and Land Use" section in Chapter 5 of the EAAC Report. The level of funding provided through Cap-and-Trade value and other sources should be commensurate with the State expectations for the planning and implementation of transit oriented development, coordinated economic, housing, and land use development, and innovative strategies to reduce GHG emissions associated with land use and transportation.

I appreciate your consideration of these comments. SCAG looks forward to working with you on behalf of our Region on this important issue. Please feel free to contact Ms. Huasha Liu, Director, Planning Methods, Assessment and Compliance Department, at (213) 236-1838, if you have any questions or need clarifications to these comments.

Sincerely,


Hasan Ikhrata
Executive Director

HI:jn